

DAKOTA PLAN & DAKOTA RETIREE PLAN



This is information regarding the Dakota Plan and Dakota Retiree group health insurance Plans. Both plans are underwritten by Blue Cross Blue Shield of North Dakota (BCBSND). Please refer to the Certificate of Insurance for complete details.

ELIGIBILITY

To be eligible to join the Dakota Plan or the Dakota Retiree Plan:

A member must be receiving a “retirement allowance” from:

- North Dakota Public Employees Retirement System (NDPERS)
 - ◆ Defined Benefit Plan
 - ◆ Defined Contribution Plan
- North Dakota Highway Patrol Retirement System (NDHPRS)
- Job Service Retirement Plan
- Teacher’s Fund for Retirement (TFFR)
- Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) (North Dakota University System only)

A member of certain Political Subdivisions, if enrolled in the Dakota Plan as an active employee, and:

- Receiving a “retirement allowance” from a NDPERS Board approved employer sponsored retirement plan, such as:
 - 401(a)
 - 401(k)
 - 403(b)
 - 457

A surviving spouse must be:

- Receiving a beneficiary benefit from the aforementioned retirement plans, or
- On the Dakota Plan as a covered dependent at the time of member’s death and there is no lapse in coverage.

A non-spouse beneficiary is not eligible to continue on the group health plan.

ENROLLMENT

A member or surviving spouse must apply within 31 days from any one of the following “qualifying events”:

1. Date of retirement, defined as either:
 - The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
 - Date of first retirement check if member deferred his/her retirement benefit.
2. Member’s 65th birthday or eligibility for Medicare;
3. Member’s spouse or eligible dependent’s 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by member’s employer or member’s spouse’s employer, if covered through spouse’s employer group plan. This includes loss of coverage due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.
5. Marriage
6. Birth, adoption, or appointment of children for legal guardianship.

If a member or surviving spouse does not enroll within 31 days of any one of the above qualifying events, he/she will have forfeited his/her rights to enroll in the Plan in the future.

COVERAGE EFFECTIVE DATE

If a member is enrolled in the Dakota Plan as an active employee, coverage will become effective on the first of the month following the final date of coverage provided by his/her employer. If a member was not enrolled in the Dakota Plan at the time of application, coverage will become effective on the first day of the month following one of the “qualifying events” listed above.

PREMIUM PAYMENT POLICY

Retirement Plan	Payment Method
NDPERS Defined Benefit ¹	Benefit Check Bank Account
NDPERS Defined Contribution ³	Bank Account
NDHPRS ¹	Benefit Check Bank Account
Job Service ¹	Benefit Check Bank Account
TFFR ²	Benefit Check Bank Account
TIAA-CREF ³	Bank Account
Approved Employer Sponsored ³	Bank Account

1. If retirement allowance is large enough to deduct the entire monthly premium, the premium will automatically be withheld from the benefit check. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an [Authorization for Automatic Premium Deduction SFN 50134](#). It is the policy of NDPERS that a member's net annuity payment can not be less than \$50.00.
2. If TFFR retirement allowance is large enough to deduct the entire monthly premium, an election to have premiums withheld from a benefit check must be made. Complete a [Payroll Deduction Authorization \(313\) SFN 19182](#). If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an [Authorization for Automatic Premium Deduction SFN 50134](#).
3. If retirement allowance is issued from the NDPERS Defined Contribution plan, TIAA-CREF, or a Board approved employer sponsored retirement plan, premiums must be withheld from a bank account. Complete an [Authorization for Automatic Premium Deduction SFN 50134](#).

CANCELLATION POLICY

To cancel NDPERS health coverage, a written request must be submitted. The request must provide the contract holder's name, social security number and effective date. NDPERS must receive a cancellation request by the **10th** of the month prior to the effective date. Cancellations will only be done at the end of the month. We cannot cancel a policy for a partial month or do a retroactive cancellation of a policy.

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DAKOTA PLAN



The plan features and premiums listed in this publication are effective July 1, 2007

COBRA CONTINUATION

A member is eligible for COBRA continuation if enrolled in the Dakota Plan as an active employee and is not eligible for Medicare. A member will have the option to continue coverage for 18 months under COBRA or until eligible for Medicare, whichever occurs first. Options will vary based on the following:

- A member **deferred his/her retirement allowance or took a lump sum payment** of retirement account. After the 18 months has expired and if member is not yet receiving a retirement allowance from one of the eligible retirement systems listed previously, he/she has the option to enroll under a conversion health plan. For details about the conversion option, contact BCBSND at 1-800-223-1704 or (701) 282-1400 in the Fargo area.
- A member elects to begin receiving **a retirement allowance immediately** from an eligible retirement system. At the conclusion of the 18 months or when member or eligible dependent becomes eligible for Medicare, the option to enroll in the "Dakota Plan" or the "Dakota Retiree Plan" becomes available, subject to the eligibility requirements.

The following COBRA premiums are in effect through June 30, 2009:

	<u>Single</u>	<u>Family</u>
State Agencies	\$324.58	\$779.22
Political Subdivisions, enrolled prior to July 1, 2007	\$346.27	\$833.85
Political Subdivisions, enrolled after July 1, 2007*	\$361.77	\$871.46
EPO Only Groups, enrolled prior to July 1, 2007	\$322.54	\$775.99
EPO Only Groups, enrolled after July 1, 2007*	\$336.96	\$810.98

***SUBJECT TO RATE INCREASE JULY 1, 2008**

END OF COBRA PERIOD OR NEW COVERAGE

If eligibility continues upon completion of COBRA or member is applying for new coverage, the following premiums are in effect through June 30, 2009:

	<u>Single</u>	<u>Family</u>
Non-Medicare	\$475.32	\$946.42
Non-Medicare (3 or more)		\$1,181.98

EXTENDED COBRA

Disability

A member or their dependent determined to have been disabled by Social Security may extend the continuation of coverage to 29 months. If you or your dependent becomes disabled at any time during the first 60 days of COBRA continuation coverage the member **must** provide notice of such

determination to NDPERS within 60 days after the date of any final determination of disability and before the end of the 18 month continuation period.

Death

Continuation of coverage may be extended for a period up to 36 months for an eligible dependent.

CANCELLATION OF COBRA

Coverage may be cancelled when a person receiving continuation of coverage becomes covered under another benefit plan providing the same or similar coverage or for non-payment of premium.

DAKOTA PLAN FEATURES



Preferred Provider Organization (PPO) - is a group of hospitals, clinics and physicians who have agreed to discount their services to members of NDPERS. You have "freedom of choice" in selecting which physician or medical facility to use for services. No referral is needed. If you choose a provider who participates in the PPO program, you will have lower out-of-pocket expenses. PPO benefits are only available in the State of North Dakota, unless the medical facility provides services at a satellite location in another State.

Exclusive Provider Organization (EPO) – is a managed care program and encourages the use of a Primary Care Physician. You and each of your eligible family members may use any Primary Care Physician affiliated with your designated EPO provider. You may change your Primary Care Physicians at any time. The medical practices included under primary care are: General/Family Practice, Obstetrics/Gynecology, Pediatrics and Internal Medicine. If you enroll in the EPO you will have lower out-of-pocket expenses for annual deductibles and reduced copayments for office visits and diagnostic services. Your affiliation is for one year and you must reside in a 50 mile radius of an EPO provider. The plan year runs from July 1 through June 30 of the following year. EPO coverage is only available to retirees that participated in the program as an active employee. EPO coverage terminates upon completion of COBRA or entitlement to Medicare, whichever occurs first.

<u>Plan Features:</u>	<u>Basic</u> (Self Referral or Out-of- State)	<u>PPO</u>	<u>EPO*</u>
Deductible for All Services			
-Per Person	\$400	\$400	\$200
-Per Family	\$1200	\$1200	\$600
Copayment for Physician Office Visits (no limit)	\$ 30	\$ 25	\$ 20
Copayment for Emergency Room	\$ 50	\$ 50	\$ 50
Coinsurance on all covered services EXCEPT Physician Office Visits	75/25	80/20	85/15
Annual Coinsurance Maximum			
-Individual	\$1250	\$750	\$500
-Family	\$2500	\$1500	\$1000
Out-of-Pocket Maximums (Deductible and Coinsurance)**			
-Individual	\$1650	\$1150	\$700
-Family	\$3700	\$2700	\$1600

* Out-of-network coverage is at the Basic level.

**Office visit and emergency room copayments and prescription drug copayments and coinsurance are additional.

DEDUCTIBLE AND COINSURANCE

Deductible, copayments, and coinsurance maximums accrue on a "Calendar-Year" basis, January 1 - December 31.

DISEASE MANAGEMENT PROGRAM:

A disease management program is offered through BCBSND. Please contact the BCBSND service unit at 1-800-223-1704.

MEMBER REBATE ACCOUNTS:

Member rebate accounts for rebates on prescription drugs. Please contact the BCBSND service unit at 1-800-223-1704.

<u>Plan Features:</u>	<u>Basic</u> (Self Referral or Out-of- State)	<u>PPO</u>	<u>EPO</u>
Prescription Formulary Generic Drug			
-Copayment	\$5	\$5	\$5
- Coinsurance (\$1,000 maximum per person per benefit period, covered at 100% after \$1,000 maximum is met)	15%	15%	15%
Prescription Formulary Brand-Name Drug***			
-Copayment	\$20	\$20	\$20
- Coinsurance (\$1,000 maximum per person per benefit period, covered at 100% after \$1,000 maximum is met)	25%	25%	25%
Prescription Non-Formulary Drug			
-Copayment	\$25	\$25	\$25
-Coinsurance	50%	50%	50%

*** For each 30-day supply or 100 units of an authorized maintenance drug or non-prescription diabetic supplies.

MAIL ORDER PRESCRIPTION DRUGS

Please contact BCBSND at 1-800-223-1704.

PREVENTIVE SCREENING SERVICES- PPO/BASIC COVERAGE

PREVENTATIVE SCREENING	
<i>Members Age and Benefits Schedule</i>	<i>PPO and Basic</i>
Regardless of age, receive once per benefit period	Routine Pap Smear
Members age 19–39 receive once every five (5) years	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing
Members age 35 – 40 receive one service	Mammography Screening
Members age 40 and older receive once per benefit period	Mammography Screening
Members age 40–64 receive once every two (2) years	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing
Members age 65 and older receive once per benefit period	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing

PREVENTIVE SCREENING SERVICES- EPO/BASIC COVERAGE

PREVENTATIVE SCREENING – MUST BE PROVIDED BY THE CONTRACT HOLDERS EPO PROVIDER, OTHERWISE THERE IS NO COVERAGE		
<i>Members Age and Benefits Schedule</i>	<i>EPO (Benefits Allowed at 100%)</i>	<i>Self - Referral</i>
Regardless of age, receive once per benefit period	Routine Pap Smear (includes related office visit)	No Coverage
Members age 19–39 receive once every five (5) years	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing, Prostate Specific Antigen (PSA), Hemoglobin and Urinalysis, One Office Visit	No Coverage
Members age 35–40 receive one service	Mammography Screening	No Coverage
Members age 40 and older receive once per benefit period	Mammography Screening	No Coverage
Members age 40–64 receive once every two (2) years	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing, Hemoglobin and Urinalysis, One Office Visit	No Coverage
Members age 65 and older receive once per benefit period	Fecal Occult Blood Testing, Total Serum Cholesterol Testing, Blood Sugar Testing, Hemoglobin and Urinalysis, One Office Visit, Influenza Viral Vaccine & Pneumovax	No Coverage

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DAKOTA RETIREE PLAN



The Dakota Retiree Plan is a "Carve-Out" plan that pays secondary to Medicare. It is not a supplemental plan. As secondary payer, there will be an adjustment to the premium if transitioning from the Dakota Plan.

A member or eligible dependent is eligible to enroll in this health coverage at the time of Medicare eligibility. If covered under the Dakota Plan at the time, a member will receive a notification approximately 60 days prior to the eligibility date regarding the enrollment procedures. To enroll, you must comply with the following requirements:

- The eligible member(s)/dependent(s) must have both parts A and B of Medicare. If the eligible member(s)/dependent(s) continue to be covered by an "active" employer group policy, Medicare Part B may be waived until the contract holder terminates employment.
- The eligible member(s)/dependent(s) must complete the Retiree Group Health Insurance Application as well as a Medicare Blue Rx Application for each person who is Medicare eligible and also include a copy of the Medicare card.

If the above requirements are met and member enrolled prior to July 1, 2007, the following premiums are in effect through Jun 30, 2009:

	<u>Single</u>	<u>Family *</u>
One Medicare/One Non-Medicare Medicare Eligible (must have both Medicare A & B)	\$217.76	\$625.44 \$425.58

If the above requirements are met and member enrolled in the plan on or after July 1, 2007 the following premiums are in effect through June 30, 2009:

	<u>Single</u>	<u>Family*</u>
One Medicare/One Non-Medicare Medicare Eligible (must have both Medicare A & B)	\$224.74	\$650.90 \$439.10

***NOTE:** If you have more than two people on your health insurance policy, please contact NDPERS for your rate.

If member/dependent did not enroll in the plan at the time he/she is eligible, coverage will cease on the first day of the month in which the member or dependent(s) became eligible.

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DAKOTA RETIREE PLAN



The “Dakota Retiree Plan” provides health care coverage as a secondary payer to Medicare. The “Dakota Retiree Plan” differs from the regular Federal Supplement plans A through J in that it **does not** pay 100% of the balance of Medicare’s approved charges. The following is a brief description of benefits as provided by the plan when paying secondary to Medicare. Please note that the “Dakota Retiree Plan” provides you with prescription drug coverage, see Group Medicare Blue RX 2009 Summary of Benefits. To continue coverage with the NDPERS Dakota Retiree Plan you must carry **both Parts A and B of Medicare** when you become eligible for Medicare benefits. If you or your spouse/dependent are eligible for Medicare but continue to be covered by an “active” employer group policy, Medicare Part B may be waived until the contract holder terminates from employment.

TYPE OF SERVICE	MEDICARE PAYS	DAKOTA RETIREE PLAN PAYS	
		In State PPO Provider	Non PPO Provider or Out of State
INPATIENT HOSPITAL SERVICES Includes semi-private room and board, general nursing and miscellaneous hospital services and supplies.	A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row. The following is based on a benefit period. First 60 days : all but \$1068 61 st thru 90 th day : all but \$267 a day 91 st day and after : all but \$534 a day	Dakota Plan pays 80% after the annual \$250 deductible. For any subsequent illness where Medicare’s deductible is applied again, Dakota Plan pays 80%.	Dakota Plan pays 75% after the annual \$250 deductible. For any subsequent illness where Medicare” deductible is applied again, Dakota Plan pays 75%.
OUTPATIENT HOSPITAL SERVICES & SUPPLIES Includes services for first-aid emergency care, laboratory and x-ray tests, surgical procedures, radiation therapy, home health visits, ambulance, and durable medical equipment such as oxygen equipment and wheelchairs.	Outpatient services are covered when provided for and billed by a hospital, subject to the Medicare Part B annual \$131 deductible and 20% coinsurance	Dakota Plan pays eligible expenses at 80%, subject to an annual \$250 deductible (combined with inpatient services).	Dakota Plan pays eligible expenses at 75%, subject to an annual \$250 deductible (combined with inpatient services).
EXTENDED CARE/HOME HEALTH	<u>Skilled Nursing Facility</u> – In each benefit period, Medicare Part A may pay for all covered services for the first 20 days you are in a skilled nursing facility. For the 21 st – 100 th day, Medicare Part A copayment is \$133.50 per day. <u>Home Health Care</u> – Unlimited home health visits if all Medicare guidelines have been met.	Unlimited days for Skilled Nursing Facilities and Home Health Care for <u>medically necessary</u> (skilled) services paid at 80%, subject to an annual \$250 deductible (combined with in-outpatient services). No coverage for intermediate and/or custodial care.	Unlimited days for Skilled Nursing Facilities and Home Health Care for <u>medically necessary</u> (skilled) services paid at 75%, subject to an annual \$250 deductible (combined with in-outpatient services). No coverage for intermediate and/or custodial care.
AVAILABLE PHYSICIAN, MEDICAL SERVICES AND SUPPLIES Includes physician services wherever provided – in-home, hospital, or office; diagnostic x-ray and lab tests; physical and speech therapy; medical supplies such as splints and casts, certain prosthetic devices; artificial limbs and eyes.	You pay the first \$131 per year – Medicare Part B (medical insurance) then pays 80% of the remaining allowable charges for covered services as determined by Medicare Part B.	Dakota Plan pays 80% of <u>allowable</u> charges on Medicare’s balance.	Dakota Plan pays 75% of <u>allowable</u> charges on Medicare’s balance.
PRESCRIPTION DRUGS	Inpatient prescription drugs only. No coverage for outpatient prescription drugs unless enrolled in Medicare Part D.	See Dakota Retiree Plan Prescription Drug Coverage on next page	

DEFINITIONS

CLASS OF COVERAGE - the type of coverage the Subscriber is enrolled under, identifying who is eligible to receive benefits for Covered Services under this Benefit Plan. Classes of Coverage are as follows:

- A. Single Coverage - Subscriber only.
- B. Family Coverage - Subscriber and Eligible Dependents.

ELIGIBLE DEPENDENT - a dependent of the Subscriber who qualifies for membership under this Benefit Plan in accordance with the requirements specified below:

- A. The Subscriber's spouse under a legally existing marriage between persons of the opposite sex.
- B. The Subscriber's or the Subscriber's living, covered spouse's unmarried children under the age of 23 years who are financially dependent on the Subscriber or the Subscriber's spouse. Children are considered under age 23 until the end of the month in which the child becomes 23 years of age. The term child or children includes:
 - 1. Children physically placed with the Subscriber for adoption or whom the Subscriber or the Subscriber's living, covered spouse has legally adopted.
 - 2. Children living with the Subscriber for whom the Subscriber or the Subscriber's living, covered spouse has been appointed legal guardian by court order.
 - 3. The Subscriber's grandchildren or those of the Subscriber's living, covered spouse if: (a) the parent of the grandchild is a covered Eligible Dependent under this Benefit Plan and (b) both the parent and the grandchild are primarily dependent on the Subscriber for support. If a lapse in coverage occurs due to ineligibility of the parent under this Benefit Plan, the grandchild cannot be reenrolled unless the Subscriber has been appointed legal guardian.
 - 4. Children for whom the Subscriber or the Subscriber's living, covered spouse are required by court order to provide health benefits.
 - 5. Children beyond the age of 23 who are full-time students at accredited institutions who are financially dependent on the Subscriber or the Subscriber's spouse. Coverage in such cases will be continued only until the end of the month in which the child becomes 26 years of age.
 - 6. Children beyond the age of 23 who are incapable of self support because of mental retardation or physical handicap that began before the child attained age 23 and who are primarily dependent on the Subscriber or the Subscriber's spouse for support. Coverage for such a disabled child will continue for as long as the child remains unmarried, disabled and the Subscriber's dependent for federal income tax purposes. The Subscriber may be asked periodically to provide evidence satisfactory to BCBSND of these disabilities.

A Member will in no event be an Eligible Dependent of more than one employee. A dependent of an employee will not be eligible if that dependent is also an employee.

MEMBER - the Subscriber and, if another Class of Coverage is in force, the Subscriber's Eligible Dependents.

PAY STATUS - a Subscriber/surviving spouse receiving a retirement allowance from an eligible retirement plan.

RETIREE – a Subscriber receiving a monthly retirement allowance pursuant to chapter 54-52.

RETIREMENT - the acceptance of a retirement allowance upon either termination of employment or termination of participation in the retirement plan and meeting the normal retirement date.

RETIREMENT ALLOWANCE- a reoccurring, periodic benefit from an eligible employer sponsored retirement plan.

SURVIVING SPOUSE - a legal spouse of the deceased member.

SUBSCRIBER - the individual whose application for membership has been accepted, whose coverage is in force with BCBSND and in whose name the Identification Card and Benefit Plan Attachment are issued.

DAKOTA RETIREE PLAN PRESCRIPTION DRUG COVERAGE



In Network Retail and Mail Order for each 90-day supply of an authorized prescription drug:

<u>Formulary</u>	<u>Copayment</u>	<u>Coinsurance</u>
Generic Drugs	\$5	15%
Preferred Brand drugs	\$15	25%
Brand Name drugs	\$25	50%
Specialty drugs	\$15	25%

Catastrophic Coverage

After your yearly out-of-pocket drug costs reach \$4,350.00 you pay the greater of:

- \$2.40 for generic (including brand drugs treated as generic) and \$6.00 for all other drugs, or
- 5% coinsurance.

For further details, refer to the “Group MedicareBlue Rx 2009 Summary of Benefits” on the NDPERS website at www.nd.gov/ndpers.

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